

COVID-EIDL Exhaustion of Funds  
Responses to Congressional Inquiries – May 2022

**TOP LINE: The SBA expects to review all completed COVID EIDL inquiries that were submitted by May 6<sup>th</sup> and have complete documentation, and those that meet all program requirements are expected to be funded.**

**Pending Applications**

There are approximately 60K total applications across categories that were not decisioned prior to funds being exhausted. SBA continues to review those files and anticipates that an estimated 35-40K could satisfy all requirements and thus be approved by May 16. Included in that are approximately 7500 requests for reconsideration / appeal of a denial that are also being reviewed and those that satisfy all requirements will be approved

**Funding Concerns**

To assist the borrower, Congressional caseworkers should first identify the application stage:

1. Submitted
  2. Approved (Recommendation by Loan Officer)
  3. Obligor (Approval by Reviewing Official)
  4. Obligated
  5. Funding
  6. Funded
- **If applications are in final stages, will they receive money?** For borrowers identified as Obligor, Obligated, Funding, and Funded, their application for increase was processed before the exhaustion of COVID EIDL funding.
    - If your constituent is in the “Obligated” stage, they should access their loan documents IMMEDIATELY and execute any additional documents via visiting our loan portal [Login - SBA Economic Injury Disaster Loan Portal Application](#). Self-service access to the loan portal will be discontinued after May 16, 2022 so to ensure timely delivery of funds, all borrowers must sign and download all their loan documents prior to that date. After May 16, borrowers must contact SBA to execute loan documents and will be subject to slower processing times.
    - If a borrower is in the “funding” stage, they should receive funds in 3-10 days, pending final compliance checks.
    - If a borrower is in the “funded” stage but does not execute their loan documents prior to the closing of the loan portal, the loan will need to be resolved manually with a member of SBA’s Accounts team which could lead to significant delays in processing and disbursement times.
  - **Are there any applications that have received final approval that will not receive money?** At this time, we expect to fund all eligible and approved borrowers. If funding is obligated, borrowers must sign their loan documents by May 16 before the portal shuts down. Otherwise, they will be required to complete a manual process with an SBA staff

member which could pose delays to their funding. Final compliance checks are routinely performed prior to disbursement. If the applicant fails a final compliance check or if their bank rejects the funds for suspected fraud, the applicant may not receive their funds.

- **What if a borrower only asked for an increase? Will he/she still get it?** All remaining applications are for increases in existing loans or a reconsideration of an increase request. The EIDL program stopped accepting new funding applications on 12/31/21. If funds were obligated, the borrower will receive funding.
- **What will happen to any funds that are not accepted by the borrower? Will they be repurposed for other borrowers?** If funds are not accepted by borrowers, those funds will be returned to the SBA. If funds are returned due to incorrect banking information, the funds are in “Funded stage”. This means that funds have been obligated. Bank account correction can be worked out with the PDC team and funds re-disbursed to the new account.
- **Will loans be partially funded to stretch the money and provide for more borrowers?** All funds have been exhausted based upon the obligated funds from the loan amounts borrowers requested. The SBA is working to fund applications that were submitted in full by the deadline and meet all program requirements.

### **Process Questions**

- **Will pending applications, and requests for loan modifications, reconsiderations, and appeals still be processed or will they be put on hold in the event more funding is provided?** The SBA is continuing to review applications and expects to review all COVID EIDL inquiries submitted in full by May 6<sup>th</sup> that have completed documentation, and fund those that meet all program requirements.
- **How will a borrower know if they will receive funding? Do they need a letter or loan number?** Borrowers filed applications in the SBA loan portal and received a unique loan number. Once their application was reviewed and approved, the borrower received a formal notification that the funds have been obligated and they received funding.
- **When can borrowers expect to have a final answer?** The SBA expects to review all COVID EIDL inquiries that were submitted by May 6<sup>th</sup> and have completed documentation and fund those that meet all program requirements. Every loan circumstance is unique and SBA’s Loan Officers are in contact with borrowers.
- **Will you keep a running queue like the RRF program in case Congress provides more funding? How will you track this?** As stated above, the SBA expects to review all COVID EIDL inquiries that were submitted by May 6<sup>th</sup> and have completed documentation and fund those that meet all program requirements. We do not anticipate additional funding for this program.
- **Since SBA recently advised borrowers that they had until May 16<sup>th</sup> to complete any document or signature requirements on the portal, should borrowers still complete this task even if funds have been exhausted?** If funding is obligated, borrowers must sign their loan documents by May 16 before the portal shuts down. As stated above, SBA has notified borrowers that the loan portal is closing on May 16 and that they should download copies of their loan documents ahead of that date. Borrowers that continue to receive communications from SBA Loan Officers should submit requested documentation in order to be reviewed for potential funding. Borrowers will have the ability to sign and submit

closing documents until the loan portal is closed. After the portal is closed, this process will be manual with SBA staff and could pose delays for the borrower.

- **Will applications that may have been improperly flagged for fraud still be funded?** The loan review process and the reconsideration process include manual checks that in some cases override previous flags for potential fraud. Those manual checks remain part of the loan review process as SBA evaluates the final pending applications.
- **Will pending requests for Targeted EIDL Advance and Supplemental Targeted Advance still be processed? If so, does that include requests for reconsiderations for the Advances as well?** The Targeted EIDL Advance program has concluded and as of December 31, 2021, SBA is no longer accepting any new Targeted Advance applications or reconsideration requests. If funds were returned because of a banking error, SBA can disburse obligated funds only after the issues related to the returned funds are fully addressed.
- **What will be the impact on SBA cases for Congress? How should Congressional offices continue working with SBA on constituent issues related to EIDL after the exhaustion of funds?** Congressional offices may continue to inquire about those cases with their local district office or with [CLAINquiry@sba.gov](mailto:CLAINquiry@sba.gov).
- **What if an applicant filed a complete application before May 6 and meets eligibility requirements but the IRS has yet to send a tax transcript? How long will SBA wait on an IRS tax transcript before the applicant loses out on an opportunity for approval?** In order to be eligible for an EIDL increase, a small business must provide complete and verified tax records from the IRS showing taxable income in 2019 to qualify for the loan. As stated above, SBA is committed to funding all eligible applications that meet program rules. If you have a constituent with a specific tax issue, please contact the IRS.